



CITY OF MENIFEE

SUBJECT: Treasurer's Report - December 2024

MEETING DATE: March 5, 2025

TO: Mayor and City Council

PREPARED BY: Ann-Marie Etienne, Finance Manager

REVIEWED BY: Travis Hickey, Chief Financial Officer

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Receive and file the Quarterly Treasurer's Report as of December 31, 2024.

DISCUSSION

Attached is the signed monthly Treasurer's Report for cash and investments as of December 31, 2024, and 4th Quarter (October 2024 – December 2024) quarterly investment review as summarized below.

This Treasurer's Report is distinguished from the regular monthly report in that it includes more in-depth disclosure and review of investment activities over the past three months. The City of Meniffee's investment objectives in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program. To achieve these objectives, the City invests in high quality fixed income securities consistent with the current investment policy (*Investment Policy CC-11*) and California Government Code.

4th Quarter Review (October 2024 – December 2024) Investment Summary

With a favorable interest market throughout the period in review, the City's investment portfolio continued to perform strongly during the 4th quarter of 2024, yielding additional interest revenue to support municipal services. The City's investment approach balances its investments between short-term investment portfolio to long-term investments. Beginning in the fall of 2023, the City has taken some additional efforts to maximize the City's investments opportunities in a fiscally prudent, but proactive manner.

Overall Investment Portfolio Composition

During the 4th quarter of 2024, the City continued to participate in the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP) investment pool programs.

Also, during the 4th Quarter period, the City maintained long-term investments through the support of investment consulting firm Chandler Asset Management.

Overall Investment Portfolio Performance

With respect to the City's short-term investments, LAIF and/or CAMP investment pools, on December 31, 2024 CAMP's rate was 4.73% while LAIF's rate was 4.434%. The quarter ending December 31, 2024 produced the following results: CAMP accrued \$917,977.45 in cash dividends and income. LAIF accrued \$134,918.29 interest. On the longer-term investment component of the portfolio, Chandler accrued \$791,752.14 interest during the quarter ending December 31, 2024. As is the case with most of the current fiscal year, the short-term investment yields have been providing higher returns than long-term investments as the Federal Reserve has sustained higher interest rates thus far. However, future changes in interest rates would most immediately impact the short-term rates received.

TABLE 1: QUARTER 4 OVERALL INVESTMENT PORTFOLIO PERFORMANCE

Investment Portfolio	Investment Type/ Investment Category	Beginning Market Value 10/1/2024	Ending Market Value 12/31/2024	Investment Returns (Cash Dividends/ Interest)
CAMP	Pool/ Short-Term	81,235,260.45	72,153,237.90	917,977.45
LAIF	Pool/ Short-Term	11,376,869.39	11,511,787.68	134,918.29
Chandler Asset Management	City Investments/ Long-Term	130,857,091.43	129,720,974.05	791,752.14

Cash Held Outside City Funds

As noted in the monthly Treasurer's Report there are some specific funds held outside the City's custody, and held instead by Wilmington Trust, designated trustee. These funds relate to the TRIP and Streetlight Retrofit debt service payments, as well as the bonded CFDs bond proceeds and debt service payments. Pursuant to the Trustee agreements in place, Wilmington Trust oversees the investment of these funds. The average yield return of these funds is summarized within the corresponding section of the Treasurer's Report.

STRATEGIC PLAN OBJECTIVE

Thriving Economy

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

ATTACHMENTS

1. Treasurer's Report as of December 31, 2024
2. CAMP Statements October 2024
3. CAMP Statements November 2024
4. CAMP Statements December 2024

5. LAIF Monthly Statement October 2024
6. LAIF Monthly Statement November 2024
7. LAIF Monthly Statement December 2024
8. Chandler Investment Statement October 2024
9. Chandler Investment Statement November 2024
10. Chandler Investment Statement December 2024